PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ITEM 2
Agenda ID #14706

ENERGY DIVISION **RESOLUTION G-3515 (Rev. 1)**
May 12, 2016

R E S O L U T I O N

Resolution G-3515. Southern California Gas Company Report on Core Pricing Flexibility and Noncore Competitive Load Growth Opportunities Programs.

PROPOSED OUTCOME:
- Approves the activities undertaken to implement the Core Pricing Flexibility Program in 2014, which produced incremental net revenues for shareholders of $699,108.
- Approves the activities undertaken to implement the Noncore Competitive Load Growth Opportunities Program, which produced incremental net revenues for shareholders of $666,116.
- Requires that the Southern California Gas Company (SoCalGas) limit new contracts for the Core Pricing Flexibility and Noncore Competitive Load Growth Opportunities Programs to projects intended to improve energy efficiency.
- Requires SoCalGas to submit a new application seeking reauthorization of the Core Pricing Flexibility and Noncore Competitive Load Growth Opportunities Programs if it wishes to continue them in 2017.

SAFETY CONSIDERATIONS:
- There is no impact on safety

ESTIMATED COST:
- This Resolution approves rate discounts and shareholder subsidies to individual core and noncore customers as well as shareholder benefits of $1.37 million in 2014.

By Advice Letter 4799, filed on May 1, 2015.

SUMMARY

SoCalGas submitted Advice Letter (AL) 4799 on May 1, 2015, to report on shareholder credits for the incremental net revenues produced by the Core Pricing Flexibility Program and the Noncore Competitive Load Growth Opportunities Program in 2014. The Core Pricing Flexibility Program resulted in incremental net revenues of $699,108. The Noncore Competitive Load Growth Opportunities Program produced incremental net revenues of $666,116. All of these incremental revenues, totaling $1,365,224 go to shareholders. **This Resolution approves shareholder credits for the incremental net revenues produced by the Core Pricing Flexibility Program and the Noncore Competitive Load Growth Opportunities Program in 2014.**

This Resolution requires that SoCalGas submit an application to reauthorize these programs if it wishes to continue them in 2017 and beyond. The Commission is concerned that these programs, which were enacted over 15 years ago and incentivize increased natural gas consumption, may no longer be consistent with subsequent legislation and current Commission policy**.** In addition, SoCalGas' interpretation of ambiguous language in Decision (D.) 98-01-040, which laid out the terms of the Core Pricing Flexibility Program, may not be in keeping with the terms or intent of the Commission when it issued that Decision.

Due to concerns about gas reliability caused by the gas leak situation at the Aliso Canyon storage facility, SoCalGas shall limit new contracts to projects intended to improve energy efficiency.

The problems with the Aliso Canyon storage facility have heightened the Commission's concerns about incentivizing increased gas usage. Article 10 of the Governor's Executive Order declaring a State of Emergency directs the Commission to "take all actions necessary to ensure the continued reliability of natural gas and electricity supplies in the coming months during the moratorium on gas injections into the Aliso Canyon Storage Facility." In the draft version of this Resolution, the Commission suspended these programs. In comments on the draft resolution, SoCalGas has made a case that opportunities to support customer investments in energy efficient technologies could be lost if the programs are suspended immediately. In light of these comments, the Commission modifies the Resolution to allow SoCalGas to enter into contracts for projects intended to improve energy efficiency.

BACKGROUND

Both the Core Pricing Flexibility Program and the Noncore Competitive Load Growth Opportunities Program were established in the era of performance-based regulation (PBR). Currently, they are the only two incentive programs still included in SoCalGas' PBR Tariff (Preliminary Statement, Part XI). The intent of these programs was to attract new gas customers, increase gas volumes, and retain existing gas customers. By increasing use of the SoCalGas pipeline system, they were intended to eventually reduce per-unit costs to ratepayers.

Core Pricing Flexibility Program

The Core Pricing Flexibility Program was established by D.97-07-054 in order to increase natural gas throughput on the SoCalGas pipeline system. According to the decision, "Allowing for negotiated rates and optional tariffs will provide SoCal with opportunities to increase utilization of its system, which benefits ratepayers. Under our adopted sharing mechanism, incremental revenues translate into benefits for both ratepayers and shareholders, providing SoCal with the incentive to more efficiently operate the system."

While D.97-07-054 established the framework of the Core Pricing Flexibility Program, D.98-01-040 explained how the program would run. The Core Pricing Flexibility Program allows SoCalGas to offer discounted natural gas transportation rates to both new and existing customers for up to five years. Shareholders receive an incentive of up to 100 percent of incremental revenue for the term of the contract.

<u>New Customers:</u> To qualify for the program, new customers must submit an affidavit stating that the discount was a "material factor" in the decision to become a new customer. With the signed affidavit, 100 percent of the revenue goes to shareholders for the term of the contract.

<u>Existing Customers:</u> Discounts can be offered to existing customers to prevent them from leaving the system (load retention) or to incentivize them to use more gas (load gain). These customers must also submit an affidavit attesting that the discount was a material factor in their decision to either stay in the system or increase their gas usage.

Load Retention: For load-retention customers, shareholders receive 5 percent of incremental revenue and ratepayers receive 95 percent. At this time, there are no active load-retention contracts.
Load Gain: Both D.98-01-040 and the SoCalGas PBR Tariff are silent about the shareholder/ratepayer split for load-gain customers. In the decision, all mentions of shareholders receiving 100 percent of the revenues from incremental usage refer to new customers. Nonetheless, SoCalGas has interpreted D.98-01-040 to mean that 100 percent of the incremental net revenue from load-gain customers goes to shareholders.

Implementation: D.98-01-040 established an adjustment mechanism for determining incremental net revenue in which a participating customer's base revenue would be credited to the Core Fixed Cost Account (CFCA). Any additional revenue would be eligible to be split between ratepayers and shareholders according to the terms outlined above.

Noncore Competitive Load Growth Opportunities Program

The Noncore Competitive Load Growth Program was established in D.00-04-060 and consists of two programs: the Red Team Economic Development Effort and Rule 38.

California Red Team Economic Development Effort: The Red Team program is a state-sponsored economic development effort intended to promote the creation and retention of business in California. It authorizes SoCalGas to offer discounts to customers to keep them in state and allows utility shareholders to keep all incremental revenues for five years. To receive the discount, customers must sign an affidavit stating that the contract structure was a material factor in their decision to participate.

At this time, no Red Team contracts are in effect. Since the contracts typically run for five years, this means that no new contracts have been signed in at least half a decade.

Rule 38: The Rule 38 program is designed to demonstrate and evaluate the performance of nonresidential, high-efficiency gas equipment under actual operating conditions. The tariff describes the program's objectives as follows:

1. Persuade nonresidential customers to install state-of-the-art equipment to reduce their overall energy cost and increase their productivity and/or profitability.
2. Encourage and support manufacturers of gas equipment to develop and produce new, cost-effective and energy-efficient nonresidential equipment for southern California.
3. Demonstrate the Utility's commitment to develop and promote new, alternative technologies with environmental and/or energy-efficiency benefits.
4. Increase the amount of nonresidential gas equipment with high off-peak load usage by:
    a. better utilizing the Utility's pipeline capacity during the summer months, and
    b. reducing average operating costs by balancing system load

Customers may apply for shareholder-funded grants to: 1) subsidize up to 50 percent of the cost of qualifying equipment and/or 2) fund feasibility studies to evaluate the potential benefits of high-efficiency gas equipment. As with the other programs, customers have to sign an affidavit stating that the subsidy was a material factor in their decision to purchase the equipment or complete the feasibility study. Shareholders then receive all incremental revenue for five years.

All 11 contracts submitted for the Noncore Competitive Load Growth Program in 2014 fell under Rule 38. All of the contracts were for equipment purchases, not feasibility studies. Ten of the 11 contracts were for cogeneration systems.

NOTICE

Notice of AL 4799 was made by publication in the Commission's Daily Calendar. SoCalGas states that a copy of the Advice Letter was mailed and distributed in accordance with Section 4 of General Order 96-B.

PROTESTS

Advice Letter AL 4799 was not protested.

DISCUSSION

Core Pricing Flexibility Program:

Established in 1998, the Core Pricing Flexibility Program may no longer be consistent with Commission policy and state environmental goals.

The Core Pricing Flexibility Program was established in 1998 and has not been reevaluated since. Its purpose — to increase gas throughput — may no longer be consistent with Commission policy and state environmental goals. Furthermore, two aspects of its implementation do not clearly comport with the language of the decision, namely the granting of 100 percent of the revenue from existing, load-gain customers to shareholders and the method of recording baseload revenue in the CFCA. Lastly, the affidavits required by the decision do not provide sufficient deterrence to keep free riders from taking advantage of the program.

The Commission needs to specify the shareholder/ratepayer split for load-gain customers.

As mentioned above, both D.98-01-040 and the SoCalGas PBR Tariff are silent about the shareholder/ratepayer split for load-gain customers. SoCalGas' interpretation of this silence to mean that 100 percent of the incremental net revenue from load-gain customers should go to shareholders is questionable. A new proceeding would allow the Commission to clarify the ambiguous language of the original decision.

The Commission needs to revisit how base revenue is credited to the Core Fixed Cost Account.

Currently, SoCalGas is not crediting the Core Fixed Cost Account (CFCA) with the full amount of base revenue for existing, load-gain customers.

D.98-01-040 established an adjustment mechanism for determining incremental net revenue in which a participating customer's base revenue would be credited to the CFCA. Any additional revenue would be eligible to be split between ratepayers and shareholders according to the terms of the program. The decision includes the following explanation of the reasonableness of the adjustment mechanism:

> The proposed adjustment mechanism is reasonable because the CFCA [Core Fixed Cost Account] would be credited with the base revenue of all

participating customers, i.e., those choosing either negotiated rates or optional tariffs. Depending on whether the base revenue is greater or less than actual revenue, the difference will either be included in or excluded from SoCal's earnings for purpose of PBR earnings sharing mechanism.

Finding of Fact 3 of D.98-01-040 further states: "SoCal proposed that on an annual basis, the CFCA will be credited with the base revenue of all participating customers, e.g., those choosing either the negotiated discount rate or optional tariffs."

Despite this language in the decision, SoCalGas is not crediting the CFCA with the full amount of base revenue. Instead, if the actual revenue is less than base revenue, it is crediting the CFCA with the actual revenue. If it is more than base revenue, then SoCalGas credits the CFCA with the base amount and the incremental revenue goes to shareholders. SoCalGas is therefore, under the existing tariff language, never at risk of having to credit the CFCA with the difference between base and actual revenue.

In response to Energy Division staff's data requests, SoCalGas argued that, because the discounts do not apply until the customer buys more than the baseload quantity of gas, shareholders should not be at risk for the difference between baseload and actual consumption. This argument contrasts with the language of D.97-07-054, which states that "shareholders will be entirely at risk for the revenue shortfalls."

A new proceeding would allow the Commission to determine the correct method for crediting base revenue to the CFCA.

In D.98-01-040, the Commission expressed concern that the required affidavits would not deter free riders from signing up for the program.

The Commission remains concerned that this program has no mechanism to deter free riders. Currently, neither the utility nor the customer appears to have an incentive to state that the discount was not a material factor in becoming a new customer or increasing gas consumption.

The Commission should re-examine the premise and structure of this program to ensure it is consistent with the Commission's current policy goals.

A formal proceeding would be a better vehicle to reevaluate the Core Pricing Flexibility Program and address these issues than the advice letter process.

<u>Noncore Competitive Load Growth Opportunities Program:</u>
The <u>Noncore Competitive Load Growth Opportunities Program</u> may no longer be appropriate in the current legal and policy environment.

The dearth of Red Team contracts points to a lack of need for the program, while Rule 38 is duplicative of other programs that promote high-efficiency gas equipment. These include the Self Generation Incentive Program (SGIP), the AB 1613 Feed-In Tariff, and the recently approved SoCalGas Distributed Energy Resources Tariff. Furthermore, Rule 38 does not require that projects meet the efficiency and carbon emissions standards outlined in the SGIP, unlike the other three programs. Lastly, both programs provide incentives to shareholders for increasing gas throughput, which is out of step with current Commission policy.

The Commission is concerned that affidavits may not be sufficient to deter free riders from using this program.

Again, there is the issue of whether a noncore customer's statement that a discount or grant was a "material factor" in remaining a customer, purchasing equipment, or completing a feasibility study is sufficient to demonstrate the need for the discounts or grants.

A formal proceeding would be a better vehicle to reevaluate the Noncore Competitive Load Growth Opportunities Program than the advice letter process.

If SoCalGas wishes to continue to implement the Noncore Competitive Load Growth Opportunities Program in 2017, it must submit an application seeking reauthorization in 2016. If SoCalGas does not submit an application in 2016, the program will terminate at the end of 2016. If SoCalGas does submit an application in 2016, the program will continue until a decision is issued by the Commission.

<u>COMMENTS</u>

Public Utilities Code section 311(g)(1) provides that this resolution must be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission. Section 311(g)(2) provides that this 30-day period may be reduced or waived upon the stipulation of all parties in the proceeding.

The 30-day comment period for the draft of this resolution was neither waived nor reduced. Accordingly, this draft resolution was mailed to parties for comments.

On March 21, 2016, SoCalGas submitted comments on the draft of this resolution. With regard to the Core Pricing Flexibility Program, SoCalGas states that the volume served to program participants remains "below the 5% of 'new' core customer volume identified as the threshold for program review."

In subsequent communications with Energy Division Staff, SoCalGas pointed to a subsection of the Core Pricing Flexibility Program, the Optional Price Tariff program, as evidence that the program supports energy efficiency projects. The Performance Based Regulation Tariff says only the following about the Optional Price Tariff program:

> Optional tariff rate schedules apply to all similarly situated customers who meet a certain set of qualifications. At least 10 customers should be potentially eligible.

SoCalGas mentioned four specific tariffs that fall under this program in its communications. Two of those tariffs, GO-ET and GTO-ET, include the following language regarding efficiency:

> New usage is limited to use in new gas-fired equipment that is considered by SoCalGas to be an emerging gas technology or market…. Examples of emerging technologies are air compression and refrigeration applications where the initial capital investment is or may not be economically viable at non-discounted rates.

The other two tariffs, GO-IR and GTO-IR, say only: "Incremental usage applies to additional gas load for existing under-utilized equipment ..."

It is worth noting that the GO-ET and GTO-ET also state that: "These discounts may be offered in addition to DSM incentives, line extension allowances, **Rule**

No. 38 incentives, core transport agent incentives, third party incentives, third party financing, etc." [emphasis added].

SoCalGas' remaining comments focus on the Rule 38 program, which is a subprogram within the Noncore Competitive Load Growth Opportunities Program. SoCalGas notes first that in the 2013 Triennial Cost Allocation Proceeding (TCAP) it requested and was granted increases to the Rule 38 program's incentive caps. SoCalGas further states that suspending the Rule 38 program is therefore in direct conflict with D.14-06-007.

SoCalGas also argues that its Rule 38 projects are energy efficient and cost effective and therefore should not be cut. The utility states that Rule 38 projects may also apply for SGIP funds, which would in turn require them to meet SGIP standards.

SoCalGas expresses concern that the Commission has not raised these issues in past resolutions addressing these programs and argues that a suspension of its ability to enter into new contracts for the remainder of 2016 would be equivalent to termination of these programs. SoCalGas further maintains that a Commission decision cannot be overturned nor can an approved service be terminated without a hearing.

SoCalGas requests that the following Findings and Orders be removed from the final resolution and that a new proceeding be opened.

- (Finding 18) Given the uncertainty surrounding the future of the Aliso Canyon facility, it is unwise to continue programs that incentivize increased gas consumption at this time.
- (Finding 19) If SoCalGas wants to reinstate the Core Pricing Flexibility Program and the Noncore Competitive Load Growth Opportunities Program in 2017, the utility should submit a new application in 2016.
- (Order 2) SoCalGas' authority to enter into new contracts for the Core Pricing Flexibility and the Noncore Competitive Load Growth Opportunities Programs is suspended, effective immediately.
- (Order 3) If SoCalGas wishes to reinstate the Core Pricing Flexibility and Noncore Competitive Load Growth Opportunities Programs in 2017, it must submit an application seeking reauthorization of these programs in 2016.

While SoCalGas is correct that D.98-01-040 requires that the Core Pricing Flexibility Program be reevaluated "if new customer participation approached 5% of the total core volume," it does not state that the program cannot be reevaluated under other circumstances.
In fact, the Decision suggests that the program "be subjected to critical review on an annual basis."[1]

SoCalGas has pointed out that one subsection of this program, the Optional Price Tariff program, includes two tariffs designed to promote projects intended to improve energy efficiency. In light of that, the draft resolution has been revised to permit SoCalGas to enter into new contracts that fall under the GO-ET and GTO-ET tariffs. This allowance does not constitute the Commission's ultimate approval of these programs for 2017 and beyond, which will be decided if SoCalGas files a new application.

Given the challenges to gas reliability caused by the Aliso Canyon leak problem, this resolution suspends SoCalGas' authority to enter into new Core Pricing Flexibility Contracts that have no energy efficiency benefits.

It would not be prudent to incentivize increased gas throughput given the Aliso Canyon situation unless there was compelling energy efficiency benefit associated with it.

<u>Rule 38:</u> SoCalGas argues that suspending the Rule 38 program would be in direct conflict with D.14-06-007. However, the increases to the Rule 38 program were approved as part of the uncontested proposals in the settlement agreement. As part of the settlement agreement, they are nonprecedential.

SoCalGas indirectly addresses the Commission's concern that Rule 38 projects are not required to meet SGIP standards by stating that Rule 38 projects may also apply for SGIP funds, in which case they would need to meet SGIP standards. However, there is no obligation for Rule 38 customers to apply for SGIP funds, and therefore there is no guarantee that they will meet SGIP standards. Further, by stating that Rule 38 customers may also

1. D.98-01-040, p. 9.

apply for SGIP funds, SoCalGas inadvertently reinforces another of the Commission's concerns with this program. Namely, that several other programs may also be subsidizing the same technology. In fact, Rule 38 projects could ultimately receive subsidies from three programs simultaneously: Rule 38, SGIP, and the Core Pricing Flexibility Program. **With regard to SoCalGas' objection that the Commission has not expressed concerns about these programs in the past, it should be noted that the Commission's shift away from providing incentives for increasing gas throughput is well established.**
In fact, SoCalGas acknowledges this transition in its testimony in support of its 2014 Phase 1 TCAP application, where it lauds its proposed storage sharing mechanism as an example of "[p]roper incentives that do not increase energy usage…" The testimony goes on to emphasize that, "This mechanism does not encourage the Utilities to increase sales or throughput and is a well-established, Commission approved mechanism that promotes the overall public interest."[2]

However, SoCalGas has made a case that opportunities to support customer investments in energy efficient technologies could be lost if the program is suspended immediately. The Commission will reevaluate the economic and energy efficiency of the Noncore Competitive Load Growth Opportunities Program if SoCalGas files an application to continue these programs beyond 2016.

In its 2017 advice letter filing SoCalGas is directed to explain how the new contracts improved energy efficiency.

For its report on the Core Pricing Flexibility Program for the year 2016 that SoCalGas will submit in 2017, SoCalGas should include the following information: customer name, technology installed, projected energy savings, whether the customer was existing or new, the baseload quantity, the minimum incremental quantity, the contract term, the tariff used, the set of qualifications each customer was required to meet to receive that tariff, whether the customer received a volumetric discount or an upfront billing credit, the value of that incentive or discount, and a copy of the contract.

2. Application 14-12-017, Testimony of Gwen Marelli, pp 1-2.

For its report on the Noncore Competitive Load Growth Opportunities Program for the year 2016 , SoCalGas should provide the following information: customer name, technology installed, projected energy savings, whether the customer was existing or new, contract type, minimum annual quantity, incentive(s), contract term, and a copy of the contract.
This resolution has been modified to allow SoCalGas to enter into contracts under the Core Pricing Flexibility and the Noncore Competitive Load Growth Opportunities Programs provided they are for projects intended to improve energy efficiency.

Both programs will expire at the end of 2016 unless SoCalGas submits a new application. If SoCalGas submits an application in 2016, the programs will continue in their modified form until a decision is issued by the Commission.

FINDINGS

1. Pursuant to Decisions 97-07-054, 98-01-040, and 00-04-060, SoCalGas submitted Advice Letter 4799 on May 1, 2015, to report on the 2014 shareholder credits for the incremental net revenues produced by the Core Pricing Flexibility Program and the Noncore Competitive Load Growth Opportunities Program.
2. The Core Pricing Flexibility Program produced incremental net revenues of $699,108, all of which go to shareholders.
3. The Core Pricing Flexibility Program provides incentives to shareholders for increasing gas throughput on the SoCalGas pipeline system.
4. Decision 98-01-040, which establishes the terms of the Core Pricing Flexibility Program, does not clearly state how incremental net revenues should be divided between ratepayers and shareholders for existing load-gain customers.
5. SoCalGas has interpreted D.98-01-040 to mean that 100 percent of incremental net revenues for existing load-gain customers should go to shareholders.
6. In D.98-01-040, Finding of Fact 3 states that in SoCalGas’ proposed adjustment mechanism, the Core Fixed Cost Account “will be credited with the base revenue of all participating customers.”

7. SoCalGas is not crediting the Core Fixed Cost Account with the full amount of base revenue. Instead, if the actual revenue is less than baseload, it is crediting the CFCA with the actual revenue. If it is more than baseload, then SoCalGas credits the CFCA with the baseload amount and the incremental revenue goes to shareholders.
8. Within the core Pricing Flexibility Program, there is a subprogram known as the Optional Price Tariff program.
9. GO-ET and GTO-ET are tariffs within the Optional Price Tariff program that require customers to purchase emerging gas technologies in order to qualify for volumetric rate discounts or up-front bill credits.
10. Other tariffs within the Optional Price Tariff program only require that customers increase load.
11. The Noncore Competitive Load Growth Opportunities Program produced incremental net revenues of $666,116, all of which go to shareholders per the decisions authorizing these programs.
12. There were no contracts for Red Team projects in 2014.
13. Ten of the 11 Rule 38 projects in 2014 were for cogeneration systems.
14. There are several other programs that provide incentives for cogeneration systems. All of these programs require that new projects meet the efficiency and carbon emissions standards outlined in the Self Generation Incentive Program (SGIP).
15. Rule 38 projects are not required to meet SGIP standards.
16. The Noncore Competitive Load Growth Opportunities Program provides incentives to shareholders for increasing gas throughput on the SoCalGas pipeline system.
17. Affidavits stating that a discount or grant was a "material factor" in becoming a gas customer, increasing gas volumes, or remaining a gas customer may not be sufficient to deter free riders from participating in the Core Pricing Flexibility Program and the Noncore Competitive Load Growth Opportunities Program.
18. Incentives to increase gas volumes may not be consistent with current Commission policy.
19. The Aliso Canyon gas storage facility may not be able to operate at its normal capacity in 2016 and beyond due to concerns raised by the facility's gas leak.

20. Without the gas storage provided by the Aliso Canyon facility, there is a greater likelihood that SoCalGas will be unable to provide sufficient gas to all customers during times of system stress.
21. Given the uncertainty surrounding the future of the Aliso Canyon facility, it is unwise to continue programs that incentivize increased gas consumption without providing any corresponding energy efficiency benefits.
22. SoCalGas may continue to enter into contracts under the Core Pricing Flexibility and the Noncore Competitive Load Growth Opportunities programs provided they are for projects intended to improve energy efficiency.
23. The 2017 Advice Letter filing for the Core Pricing Flexibility and the Noncore Competitive Load Growth Opportunities Programs should explain how new contracts improved energy efficiency and include detailed descriptions of the contracts.
24. If SoCalGas would like to continue the Core Pricing Flexibility and the Noncore Competitive Load Growth Opportunities Programs in 2017 and beyond, the utility should submit a new application in 2016. If SoCalGas does not submit an application, the programs will terminate at the end of 2016. If SoCalGas does submit an application in 2016, the programs will continue in their modified form until a decision is issued by the Commission.

THEREFORE IT IS ORDERED THAT:

1. The 2014 shareholder credits reported by the Southern California Gas Company in Advice Letter 4799-G for the incremental net revenues produced by the Core Pricing Flexibility Program and the Noncore Competitive Load Growth Opportunities Program are approved.
2. SoCalGas may continue to enter into Core Pricing Flexibility Program contracts for projects that fall under the GO-ET and GTO-ET tariffs.
3. SoCalGas may not enter into new Core Pricing Flexibility Program contracts for projects that provide incremental load with no energy efficiency benefits.
4. SoCalGas may continue to enter into new Noncore Competitive Load Growth Opportunities Program contracts provided they are for projects intended to increase energy efficiency.
5. In its 2017 Advice Letter filing, SoCalGas shall explain how new contracts improved energy efficiency.

a. For the Core Pricing Flexibility Program, the report should include: customer name, technology installed, projected energy savings, whether the customer was existing or new, the baseload quantity, the minimum incremental quantity, the contract term, the tariff used, the set of qualifications each customer was required to meet to receive that tariff, whether the customer received a volumetric discount or an upfront billing credit, the value of that incentive or discount, and a copy of the contract.
b. For the Noncore Competitive Load Growth Opportunities Program, the report should include: customer name, technology installed, projected energy savings, whether the customer was existing or new, contract type, minimum annual quantity, incentive(s), contract term, and a copy of the contract.

6. If SoCalGas wishes to continue the Core Pricing Flexibility and the Noncore Competitive Load Growth Opportunities Programs in 2017 and beyond, it must submit an application seeking reauthorization of these programs. If SoCalGas does not submit a new application in 2016, the programs will terminate at the end of 2016. If SoCalGas does submit an application in 2016, the programs will continue in their modified form until a decision is issued by the Commission.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on May 12, 2016, the following Commissioners voting favorably thereon:

TIMOTHY J. SULLIVAN
Executive Director